

## Message Text

CONFIDENTIAL

PAGE 01 ORAN 00061 250626Z  
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 XMB-02 COME-00 CIAE-00  
INR-10 NSAE-00 DOE-15 SOE-02 OES-07 TRSE-00 /055 W  
-----046398 250659Z /15/65

R 241150Z APR 78  
FM AMEMBASSY ORAN  
TO SECSTATE WASHDC 0080  
INFO AMEMBASSY ALGIERS

C O N F I D E N T I A L ORAN 0061  
C O R R E C T E D C O P Y (FM ADDRESSEE)  
DEPT PASS EXIM AND USDOC

E.O. 11652: GDS  
TAGS: BGEN, EIND, AG  
SUBJECT: ORAN BUSINESS UPDATE

1. PROBLEMS STILL PLAGUING TRAIN ONE OF LNG-I PROJECT AT ARZEW/BETHIOUA. SINCE INAUGURATION OF PLANT BY PRESIDENT BOUMEDIENE LAST FEBURARY 21, TRAIN ONE HAS SPENT MORE TIME "DOWN" THAN OPERATING. TROUBLE CAUSED BY CORROSION AND EROSION IN HEAT EXCHANGERS, AS WELL AS CONTINUING DIFFICULTIES WITH BOILERS. TRAIN ONE HAS STILL NOT PASSED ITS SEVEN-DAY ACCEPTANCE TEST. WHILE EXPERIENCED AMERICAN OBSERVER AT ARZEW/BETHIOUA BELIEVES NONE OF PROBLEMS ARE PERMANENT, ALGERIANS PROBABLY DISMAYED AT DELAYS IN SHIPMENTS OF LIQUIFIED GAS TO UNITED STATES.

2. LACK OF TRAINED, EXPERIENCED ALGERIANS TO RUN FIRST TRAIN AND REMAINING FIVE MODULES OF LNG-I BECOMING MORE APPARENT. BOTH BECHTEL AND EL PASO NEW BRINGING IN SUBSTANTIALLY MORE AMERICANS TO RUN PLANT THAN THEY HAD EARLIER EXPECTED. TOTAL EX-PATRIATE EMPLOYEES AT BECHTEL, EL PASO AND PULLMAN-KELLOGG NOW EXCEEDS 750, OF WHOM GREAT MAJORITY ARE AMERICANS.

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3. LNG-II APPEARS TO BE MOVING AHEAD WELL. PULLMAN-KELLOGG POURED 7,000 CUBIC METERS OF CONCRETE IN MARCH.

4. LNG-II STILL STALLED OVER DECISION ON PROCESS.

5. EX-PAT CAMP HOUSING AT ARZEW/BETHIOUA GOING UP FAST. NEW UNITS WILL SUBSTANTIALLY INCREASE PRESSURE FOR ELECTRIC

POWER, WATER AND OTHER COMMUNITY SERVICES ON ALREADY  
OVER-BURDENED LOCAL ALGERIAN INFRASTRUCTURE. SITUATION  
COULD PRODUCE SERIOUS FUTURE CRUNCH.

6. GTEI ELECTRONICS PROJECT AT SIDI BEL ABBES PUSHING  
AHEAD. PRESENT TARGET IS TO PUT FIRST BLACK-WHITE TV SET  
ON BOUMEDIENE'S DESK BY MAY 15, AND HAVE HIM INAUGURATE  
PLANT ON JUNE 19. GTEI BLAMES SUB-CONTRACTOR AUSTIN-  
EUROPE FOR ONE-TO-TWO YEAR DELAY IN PROJECT.

7. DETAILS BY POUCH.  
HEYNIGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LPG, ROLLING STOCK, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ORAN00061  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780175-1203  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
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**SAS ID:** 2870562  
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**TAGS:** BGEN, EIND, AG  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014